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BLUE RIBBON CORPORATION LIMITED



ANNUAL REPORT
CONSOLIDATED BALANCE SHEET
AND SURPLUS ACCOUNT
FOR YEAR ENDING 30TH JUNE, 1943

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ANNUAL REPORT

Toronto, Canada, September 1st, 1943.

TO THE SHAREHOLDERS OF BLUE RIBBON CORPORATION LIMITED:

The 13th Annual Report of the Corporation is submitted by your Directors along with the Consolidated Balance Sheet of the Corporation and Subsidiaries and the Consolidated Surplus Account, all for the year ending June 30th, 1943.

Earnings for that period show a decline as a result of a drop in sales due to the rationing of Tea, Coffee and Cocoa. In addition the large amount of income and excess profits taxes that we are required to pay affects earnings. The taxes amount to \$282,912.63 as against \$222,492.60 for the previous year.

After provision has been made for these taxes and also setting up depreciation on plant and buildings amounting to \$87,196.81 and taking care of all operating expenses, net earnings amount to \$104,065.80 compared to \$147,603.26 in 1942.

Dividends at the rate of 5% were paid quarterly on the preferred shares outstanding amounting to \$74,625.00 which left \$29,440.80 for transfer to the Surplus Account. In this year the regular \$2.50 dividend on the preferred was earned and a further 31½c. on each outstanding share of preferred and common. Both of these stocks share equally after the payment of the regular preferred dividend.

Recent regulations of the National Selective Service have had some effect on the three Companies and as time goes on our difficulties increase and this has affected, to some extent, our production. All of the Companies are being operated in the best possible manner under these trying conditions but our shareholders may be assured that everything is being done to secure maximum production.

During the past year we have lost still more members of our organization to the Armed Forces and this has made the work of our present staff much more difficult but you have a loyal Organization and the Directors appreciate the support received from the employees of the three Companies.

C. E. SPOONER,
Chairman of the Board.

J. BALL,
President.

CONSOLIDATED BALANCE SH

ASSETS

Current Assets:

Cash on Hand and in Banks.....	\$ 189,522.67	
Dominion of Canada 3% Bonds.....	81,250.00	
Accounts Receivable, less Reserve.....	477,716.93	
Inventories of Merchandise and Supplies, valued at cost as determined and certified to by the Management.....	\$1,487,647.77	
Less Reserve against Future Decline in Inventory Values....	75,000.00	
	<u>1,412,647.77</u>	\$2,161,137.37

Stocks and Bonds of Customer Companies..... 38,681.56

Land, Buildings, Machinery and Equipment..... \$2,522,009.43

In Western Canada—as appraised by Sterling
Appraisal Co. Ltd., 1928.

In Ontario—part as appraised by Wesley E.
Barker and by Canadian Appraisal Co. Ltd.,
1924, and part by Sterling Appraisal Co.
Ltd., 1930.

Plus Additions to date at Cost.

Less Reserve for Depreciation..... 903,307.38

1,418,702.05

Trade Marks, Patent Rights and Goodwill..... 1.00

Deferred Charges..... 40,168.37

Refundable Portion of Excess Profits Tax..... 36,104.65

\$3,694,795.00

Signed on behalf of the Board.

J. BALL,

C. E. SPOONER,

Directors.

AUDITORS'

To the Shareholders of Blue Ribbon Corporation Limited:

We have examined the books and accounts of Blue Ribbon Corporation Limited, for the year ending 30th June, 1943, and have obtained all the information. Blue Ribbon, Limited, we have seen the Balance Sheet as of the same date with the Accountants. The above Consolidated Balance Sheet is, in our opinion, properly drawn and the three Subsidiaries as at 30th June, 1943, according to the best of our Companies whose accounts we have examined and the report of Messrs. Black, Hanson

Toronto, Canada

23rd August, 1943.

HEET - 30TH JUNE, 1943

LIABILITIES

Current Liabilities:

Bank Advances (Secured \$217,529.93).....	\$ 402,529.93	
Accounts Payable.....	289,685.05	
Provision for Income and Excess Profits Taxes....	198,991.22	
		\$ 891,206.20

Mortgage on Land and Buildings of one Subsidiary, due 1st March, 1947.....	37,500.00
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Minority Interest in Subsidiary Company.....	25,278.87
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Capital Stock:

Authorized:

40,000 Shares of 5% Cumulative, Con-
vertible Redeemable, Participating Pre-
ferred Stock of \$50.00 each.

150,000 Common Shares of No Par Value.

Issued and Outstanding:

29,850 Preferred Shares of \$50.00 each \$1,492,500.00

63,475 Common Shares of No Par Value..... 839,067.34

\$2,331,567.34

Earned Surplus.....	373,137.94
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Deferred Surplus re Refundable Portion of Excess Profits Tax.....	36,104.65
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2,740,809.93

\$3,694,795.00

REPORT

d and its Subsidiaries, Pure Gold Manufacturing Co. Limited and Willards Chocolates,
and explanations which we required. While we have not examined the accounts of
report thereon by its auditors, Messrs. Black, Hanson & Company, Chartered
awn up so as to exhibit the true consolidated position of Blue Ribbon Corporation
information and the explanations given to us and as shown by the books of the
& Company above referred to.

WILTON C. EDDIS & SONS,

Chartered Accountants.

BLUE RIBBON CORPORATION LIMITED

CONSOLIDATED SURPLUS ACCOUNT FOR YEAR ENDING - 30TH JUNE, 1943

Balance at Credit, 30th June, 1942.....	\$343,697.14
Add: Profit for Year, before Depreciation and Income and Excess Profits Taxes (after \$1,652.00 for Legal Fees and \$73,767.00 for Salaries of ten full time Executive Officers of the Company and its Subsidiaries).....	474,175.24
Less: Depreciation, Plant and Buildings\$ 87,196.81	
Provision for Income and Excess Profits Taxes.....	282,912.63
	370,109.44
	104,065.80
	\$447,762.94
Less Dividend paid on Preference Shares, 5%	74,625.00
	\$373,137.94



Blue Ribbon Limited

Winnipeg - Vancouver - Edmonton
Calgary

Manufacturing and Merchandising
Tea, Coffee, Baking Powder, Extracts,
Jelly Powders, Spices.

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Pure Gold Mfg. Co. Limited

Toronto

Manufacturing and Merchandising
Tea, Coffee, Baking Powder, Extracts,
Jelly Powders, Chocolate, Peanut
Butter, Cocoa, Spices.

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Willáards Chocolates Limited

Toronto - Winnipeg - Montreal
Vancouver

Manufacturing and Merchandising
A Complete Line of Confectionery
including the famous
Sweet Marie Nut Roll.

BLUE RIBBON CORPORATION LIMITED

BOARD OF DIRECTORS

J. Ball	-	-	-	-	-	C. E. Spooner
Col. J. F. Michie	-	-	-	-	-	A. C. Matthews
F. T. Moore	-	-	-	-	-	W. Hood
J. K. Wright						

Chairman of the Board	-	-	-	-	-	C. E. Spooner
President	-	-	-	-	-	J. Ball
Vice-President	-	-	-	-	-	A. C. Matthews

Bankers

The Canadian Bank of Commerce

Transfer Agent

The Toronto General Trusts Corporation

Registrar

National Trust Company, Limited

Auditors

Wilton C. Eddis and Sons